DEPARTMENT OF JUSTICE

VICTIMS' FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2004

Provincial Auditor Saskatchewan

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SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Department of Justice – Victims' Fund as at March 31, 2004, and the statements of operations, changes in net financial assets, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred Wendel, CMA, CA
Provincial Auditor

Regina, Saskatchewan
June 18, 2004

Statement 1

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2004	2003
Financial assets:		
Due from General Revenue Fund (Statement 4 and Note 5)	$ 286,535	$ 110,219
Accounts receivable (Note 6)	758,655	807,453
Due from Public Guardian and Trustee (Note 7 and Note 3b)	1,504,012	2,400,347
Total financial assets	2,549,202	3,318,019
Liabilities:		
Accounts payable	248,812	124,249
Employee leave entitlement	15,814	15,299
Deferred revenue (Notes 2 and 8)	118,459	38,838
Total liabilities	383,085	178,386
Net financial assets (Statement 3)	2,166,117	3,139,633
Non-financial assets		
Tangible capital assets	11,106	15,328
Accumulated surplus (Statement 2)	$ 2,177,223	$ 3,154,961

(See accompanying notes to the financial statements)

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF OPERATIONS
For the Year Ended March 31

	Budget 2004 (Note 9)	Actual 2004	2003
Revenue:			
Surcharge revenue	$ 3,300,000	$ 2,841,097	$ 2,962,840
Investment income (Note 7)	240,000	61,811	109,100
Proceeds of Crime revenue	-	27,764	52,128
Federal/Provincial Cost Sharing Agreement revenue	25,000	55,447	103,781
Other	5,000	11,624	5,841
Total revenue	3,570,000	2,997,743	3,233,690
Expense:			
Administration costs	460,100	457,846	462,494
Crisis intervention services	2,715,600	2,376,367	2,466,537
Court based programs	259,600	216,194	218,058
Compensation payments	400,000	402,860	301,666
Restitution program	136,400	135,000	134,101
Research, evaluation & prevention	191,500	206,591	233,368
Education and training	186,300	152,859	107,192
Proceeds of Crime	-	27,764	52,128
Total expense (Schedule 1)	4,349,500	3,975,481	3,975,544
Deficit for the year	$ (779,500)	(977,738)	(741,854)
Accumulated surplus, beginning of year		3,154,961	3,896,815
Accumulated surplus, end of year		$ 2,177,223	$ 3,154,961

(See accompanying notes to the financial statements)

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended March 31

	2004	2003
Annual deficit (Statement 2)	$ (977,738)	$ (741,854)
Acquisition of tangible capital assets	(5,672)	(21,975)
Amortization of tangible capital assets	9,894	9,337
	4,222	(12,638)
Decrease in accumulated surplus	(973,516)	(754,492)
Net financial assets, beginning of year	3,139,633	3,894,125
Net financial assets, end of year	$ 2,166,117	$ 3,139,633

(See accompanying notes to the financial statements)

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2004	2003
Operating transactions		
Cash received from:		
Surcharge	$ 2,924,557	$ 2,896,706
Other	201,606	195,237
	3,126,163	3,091,943
Cash paid for:		
Salaries	666,108	659,918
Other	3,174,402	3,388,021
	3,840,510	4,047,939
Cash used for operating transactions	(714,347)	(955,996)
Capital transactions		
Cash used to acquire tangible capital assets	(5,672)	(21,975)
Investing transactions		
Cash provided by Public Guardian and Trustee	896,335	700,170
Increase (decrease) in cash and cash equivalents	176,316	(277,801)
Due from General Revenue Fund, beginning of year	110,219	388,020
Due from General Revenue Fund, end of year	$ 286,535	$ 110,219

(See accompanying notes to the financial statements)

DEPARTMENT OF JUSTICE
VICTIMS' FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2004

1. Authority

The Victims' Fund (Fund) was established by *The Victims of Crime Act* as amended April 1, 1992, and continues under the authority of *The Victims of Crime Act, 1995* (Act). The Fund receives all provincial and federal fine surcharges assessed under the Act and under the Criminal Code. The Act permits expenditures from the Fund to promote and deliver services and benefits to victims; to conduct research and to distribute information respecting victims' services, needs and concerns; and for crime prevention and administration.

2. Accounting Policies

These financial statements are prepared using Canadian generally accepted accounting principles appropriate for the public sector and reflect the following significant accounting principles.

a) Basis of Accounting

The financial statements are prepared on the expense basis of accounting.

b) Revenue

i) Surcharge Revenue

Surcharge revenue represents provincial and federal fine surcharges collected by the Department of Justice in accordance with *The Victims of Crime Act, 1995* and the Criminal Code. The Department of Justice is responsible for collecting the surcharges on behalf of the Fund. Surcharges are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

ii) Proceeds of Crime Revenue

Proceeds of crime funding received from the Federal Government is recognized as revenue in the year the related expenses are incurred.

c) Expense

Expense represents the cost of resources consumed during the year for operations. Expense includes provision for the amortization of tangible capital assets.

d) Tangible Capital Assets

Tangible capital assets that have a value greater than $500 and a useful life greater than one year are capitalized and amortized on a straight-line basis over three years.

3. Financial Instruments

The Fund has the following financial instruments: due from General Revenue Fund, due from Public Guardian and Trustee, accounts receivable, and accounts payable. The following paragraphs disclose the significant aspects of these financial instruments.

a) Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes on cash flows, financial position and income.

The Fund is exposed to interest rate risk when the value of its financial instruments fluctuate due to changes in market interest rates.

The Fund's receivables and payables are non-interest bearing. Due to the short-term nature of these, interest rate risk is minimal.

As market interest rates fluctuate the market value of fixed income investments moves in the opposite direction. This risk may affect the price the Fund can sell the investments for prior to maturity.

b) Credit risk

The Fund is exposed to credit risk from potential non-payment of amounts due from General Revenue Fund, accounts receivable or investment income and principal.

The Fund's accounts receivable arise from fine surcharges assessed against individuals. Credit risk associated with accounts receivable relates to unpaid fine surcharges. The amount of fines which will eventually be collected is difficult to measure. The amount at which accounts receivable are stated in the financial statements is an estimate of fines which will be collected, based on past experience.

The Fund's investments held by the Public Guardian and Trustee consist of government and government guaranteed bonds, corporate bonds, and shares in Canadian and foreign companies. Credit risk is minimal for government and government guaranteed bonds. Credit risk for corporate bonds is related to investees' abilities to redeem their bonds upon maturity. The Public Guardian and Trustee limits the credit risk by investing in securities considered to be high quality.

c) Fair Value

For the following financial instruments, the carrying amounts approximate fair value due to their immediate or short-term nature:

Due from General Revenue Fund
Accounts receivable
Accounts payable

The fair value of amounts held by the Public Guardian and Trustee at March 31, 2004 approximates carrying value.

4. Related Parties

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, departments, agencies, boards and commissions related to the Fund by virtue of common control by the Government of Saskatchewan, and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

During the year the Fund received certain administrative services from the Departments of Justice and Finance without charge.

Other transactions with related parties and amounts due to or from them are described separately in the financial statements.

5. Due from General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund.

The Fund's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis to the Fund using the Government's thirty day borrowing rate and the Fund's average daily bank account balance. The Government's average thirty day borrowing rate for 2004 is 2.79% (2003 – 2.62%).

6. Accounts Receivable

This amount represents surcharges due to the Fund on account of fines levied against, but not yet paid, by individuals, and miscellaneous receivables. The balance at March 31 consists of:

	2004	2003
Surcharge receivable	$ 630,258	$ 713,717
Federal/Provincial cost sharing agreement receivable	126,395	91,882
Other accounts receivable	2,002	1,854
Total accounts receivable	$ 758,655	$ 807,453

7. Due from Public Guardian and Trustee

The Fund invests a portion of its surplus funds with the Public Guardian and Trustee for Saskatchewan. The Public Guardian and Trustee invests these monies, together with monies it administers for its other clients, in a common fund. Income earned in the common fund, together with part of the change in market values of common fund investments, is allocated annually to clients, including Victims' Fund. The change in market value of common fund investments is allocated equally over four years.

The Fund records amounts allocated to it by Public Guardian and Trustee as income or loss and adjusts the carrying value of its investment by the same amount. Fair value approximates the carrying value of investments.

8. Proceeds of Crime Deferred Revenue

Under the federal *Seized Property Management Act* and the Forfeited Property Sharing Regulations, the Federal Government receives monies from seizures made by police during drug and other illegal activity investigations. On April 17, 2000 the Province entered into an agreement with the Federal Government that specifies the proceeds are to be used to support crime prevention, issues of substance abuse, and law enforcement. Treasury Board approved the deposit of the proceeds of crime into the Fund.

	2004	2003
Deferred revenue consists of:		
Monies for RCMP operations directed at organized crime	$ 79,733	$ ---
Monies for public education and crime prevention	38,726	38,838
Total deferred revenue	$ 118,459	$ 38,838

9. Budget

These amounts are included in the budget submitted to Treasury Board for approval. Treasury Board approves the Fund's budget annually.

Schedule 1

DEPARTMENT OF JUSTICE
VICTIMS' FUND
SCHEDULE OF EXPENSE BY OBJECT
For the Year Ended March 31

	2004	2003
Expense:		
Community grants	$ 2,544,223	$ 2,699,905
Salaries	666,624	661,939
Proceeds of Crime	27,764	52,129
Contractual services	176,256	103,584
Compensation awards	402,860	301,666
Administration	144,587	136,808
Victim/witness rooms/softrooms	---	6,177
Systems expenses	3,273	3,999
Amortization	9,894	9,337
	$ 3,975,481	$ 3,975,544

Personal Services

Listed are individuals (excluding unionized employees) who received payments for salaries, wages, honorariums, etc. which total $50,000 or more.

McKenzie, Katrine	$	85,707
Thiele, Patrick		70,505
	$	156,212

Transfers

Listed are transfers to recipients who received more than $50,000.

Battlefords Victim Services Inc	$ 66,753
Churchill River Regional Victim Services	100,748
Family Healing Circle Lodge Inc.	50,760
Family Service Regina	126,138
La Loche Community Development Corp	59,579
Moose Jaw Police Service	61,963
Northeast Regional Victim Services Inc.	112,150
Northern Region Victim Services	105,813
Northwest Regional Victim Services	59,456
P.A. Outreach Inc.	101,200
Parkland Victims Services Inc.	124,190
Peyakowak Committee Inc	50,762
Prince Albert Police Service	86,778
Prince Albert Regional Victim Services Inc.	68,282
Rainbow Youth Centre	66,700
Regina Police Service	262,842
Regina Region Victim Services	113,065
Regina Women's Community Ctr & Sexual Assault Line Inc.	55,903
Saskatoon Indian & Metis Friendship Centre Inc.	50,706
Saskatoon Police Services	196,642
Saskatoon Sexual Assault & Information Centre Inc.	67,334
South West Victim Services Inc.	61,958
Southeast Regional Victim Services Inc.	60,631
STC Urban First Nations Services Inc.	64,900
	$ 2,175,253

Supplier Payments

Listed are payees who received more than $50,000 for the provision of goods and services.

Saskatchewan Property Management Corporation	$	129,112
Payments made to or on behalf of victims as compensation for loss		402,860
Payees $50,000 or less		142,622
	$	674,594

In-Scope

Listed are unionized individuals who received payments for salaries, wages, honorariums, etc which total $50,000 or more.

Scott, Philip D.	$	50,432
Selinger, Murray		70,322
	$	120,754